

Maine Real Estate Commission

Associate Broker Course Guidelines

Approved – March 2006 (includes statutes and rules effective July 1, 2006)

Course Requirements: 60 hours of classroom time

Documented field experience (estimated to be a minimum of 40 hours)

Minimum 3 quizzes plus a final exam

Course Outline:

Section 1. Introduction

Maine Real Estate Commission expectations, bathrooms, parking, attendance, snow days, grades, etc.

Section 2. Maine Real Estate Commission (“MREC”)(13%)

At the conclusion of this section, the licensee will be able to apply Maine license law and rules to various situations in Real Estate practice.

Case studies related to license law and MREC rules. (new rules proposed)

- A. Procedure
- B. Advertising
- C. Disclosure
 - I. Forms
 - II. On-site/off-site issues
 - III. Outdated forms
 - IV. Material facts vs material defects
- D. Agency policy
- E. Reporting to the Real Estate Commission
- F. Earnest money deposits
- G. DB supervision
- H. Confidentiality
- I. Inducements

Section 3. Agency and Non-Agency Relationships (8%)

At the conclusion of this section, the licensee will be able to evaluate agency duties in a variety of real estate transactions and transaction broker responsibilities and limitations.

Case studies on agency relationships; fiduciary duties and transaction broker

- A. Fiduciary duties
- B. Transaction broker
- C. Creation/termination of relationship
- D. Duties of listing agent to buyer to customer & client
- E. Duties of buyer agent to seller to customer & client
- F. Subagency
- G. Dual agency
- H. Who are you in this transaction
- I. Components of an agency agreement
- J. Companies with different policies

Section 4. Closings (10%)

At the conclusion of this section, the licensee will be able to prepare buyer cost and seller proceed sheets, identify various obligations of the licensee in relation to closings, and calculate various closing costs.

Case studies on problems arising before/during the closing:

- A. Solve a variety of problems that arise before the closing:
 - I. Seller has not vacated
 - II. Property is not broom clean

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- III. Buyer needs insurance binder
- IV. Walk-through problems
- V. Unmet contingencies
- VI. Buyer lost job/financing
- VII. Resigning the loan application at closing
- VIII. Side Agreements
- IX. Mortgage fraud
- X. Domino transactions
- B. Identify problems with closing documents
 - I. Housing and Urban Development ("HUD") Form
 - II. Prorations
 - III. Incorrect information (sale price, commission)
 - IV. Title insurance
 - V. Owner's policy
 - VI. Accounting for earnest money
 - VII. Out of state sellers
 - VIII. Septic system 180-day malfunction disclosure

Section 5. Land use (10%)

At the conclusion of this section, the licensee will predict the application of a variety of land use laws and be able to explain how this information impacts their role as a licensee.

Case studies concerning:

Zoning

- A. Subdivisions
- B. Shoreland zoning
- C. Easements
- D. Restrictive covenants
- E. Condominium declarations, bylaws, rules
- F. Tree growth/open space
- G. Raw land with intent to build
 - I. Driveway issues
 - II. Utilities
- H. Eminent domain

Section 6. Finance (10%)

At the conclusion of this section, the licensee will be able to address a variety of financing circumstances for a given cross-section of buyers and sellers.

Case studies regarding:

- A. Cash transactions
- B. Seller financing
- C. Bond for deed
- D. Broker financing with commission
- E. Real Estate Settlement and Procedures Act ("RESPA")
- F. One-stop shopping
- G. Buyer loses financing the day before closing
- H. Lender application form
- I. Foreclosure
- J. Alternative financing options

Section 7. Value (7%)

At the conclusion of this section, the licensee will be able to estimate value for buyer and seller clients using the following approaches.

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Case studies regarding:

- A. Cost approach
- B. Income approach
- C. Market data approach

Section 8. Contracts (10%)

At the conclusion of this section the licensee will be able to complete and explain various types of contracts and applicable clauses.

Case studies regarding:

- A. fill out a purchase & sale agreement based on given data
 - I. Unauthorized practice of law
 - II. Complete signatures/initials
 - III. Contingent upon particular financing
 - IV. Contingency fallout
 - V. Kickout and backup
- B. Multiple offers (guiding principles)
- C. Unsatisfactory inspections
- D. Unfamiliar contract forms
- E. Consent for appointed agent/dual agent
- F. Items included on brochure/disclosure form do not make it to the contract
- G. Procuring cause
- H. Continue to show

Section 9. Miscellaneous State and Federal laws (4%)

At the conclusion of this section, the licensee will be able to apply the following miscellaneous federal and state laws in a variety of real estate transactions.

Case studies regarding:

- A. Anti-trust
- B. Fair Housing
- C. Foreign Investment in Real Estate Property Tax Act ("FIRPTA")
- D. Americans with Disabilities Act ("ADA")
- E. Truth In Lending Act

Section 10. Job Description: Listing Licensee (10%)

At the conclusion of this section, students will execute their agent-level duties consistent with their agreements and the law and rules and office policy.

- A. Prelisting work
 - I. Gather required information from town hall, registry of deeds, LURC, other appropriate authorities
 - II. Prepare listing packet
- B. First meeting with seller
 - I. Gather information about the property
 - II. Gather information for the disclosure form
 - III. Brokerage relationship disclosure form
 - IV. Prepare Competitive/Comparable Market Analysis ("CMA")
- C. Second meeting with seller
 - I. Presentation of CMA
 - II. Explanation of listing agreement
 - III. Presentation of marketing plan
- D. Executing marketing plan
 - 1. Ongoing communication with the seller

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- 2. Showings
- 3. Presentation of offers
- 4. Negotiation of contract
- F. Under contract to closing
- G. Closing
- H. Follow-up after closing

Case studies regarding:

- A. Parcel of land
- B. Income property
- C. Condominium
- D. Single family
- E. Waterfront

Section 11. Job Description: Selling Licensee (10%)

- A. First meeting with buyer
 - 1. Brokerage relationship disclosure form
 - 2. Buyer packet
 - 3. Explanation of Brokerage agreement
- B. Qualifying the buyer
 - 1. Wants and needs
 - 2. Financially
- C. Showings
 - 1. Finding the property
 - 2. Making an offer
 - 3. CMA
 - 4. Negotiating
- D. Under contract to closing
- E. Closing
- F. Follow-up after closing

Case studies regarding:

- A. Parcel of land
- B. Income property
- C. Condominium
- D. Single family
- E. Waterfront

Section 12. Negotiations and Communications (8%)

At the conclusion of this section, the licensee will be able to understand negotiation techniques and how to handle offers and counter offers.

- A. Recommended text: Getting to Yes, Roger Fisher and Willim Ury
 - a. Separate the people from the problem
 - b. Focus on interests, not positions
 - c. Invent options for mutual gain
 - d. Use objective criteria
- B. Negotiation of Real Estate contracts
 - a. Formation of a contract
 - b. Maine Real Estate Commission Offer guidelines

Section 13. Conclusion

What Happens Next ?